Government of
Saskatchewan

2006 – 2007
Financial Statements

Prairie West
Regional College

Letter of Transmittal

Prairie West Regional College
701 Dominion Street
Box 700
Biggar, SK S0K 0M0

September 26, 2007

Honourable Warren McCall,
Minister Advanced Education and Employment
Room 322, Legislative Building
Regina, SK S4S 0B3

Dear Minister McCall:

On behalf of the board of directors of Prairie West Regional College and in accordance with the provisions of *The Regional Colleges Act,* I am pleased to submit the audited financial statements of Prairie West Regional College for the fiscal year ended June 30, 2007.

Respectfully submitted,

John R. McPhail

John McPhail, Chairperson
Prairie West Regional College

Gilchrist & Co.

CERTIFIED MANAGEMENT ACCOUNTANTS

P. O. Box 1191 119 - 3rd Ave. West
Rosetown, Saskatchewan S0L 2V0

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AUDITOR'S REPORT

To the Directors
Prairie West Regional College

We have audited the statement of financial position of Prairie West Regional College as at June 30, 2007 and the statements of operations, changes in net assets and cash flows for the year then ended. The College is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Rosetown, Saskatchewan
September 14, 2007

Gilchrist & Co.
Certified Management Accountants

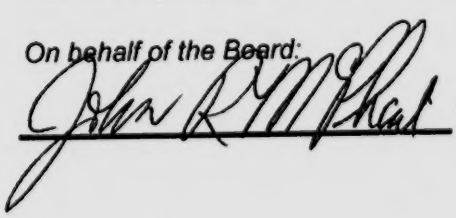
PRAIRIE WEST REGIONAL COLLEGE
Statement of Financial Position
as at June 30, 2007

Statement 1

	2007			2006
	Operating Fund	Capital Fund	Total	Total
Assets				
Current Assets				
Cash	$ 758,893	$ 162,112	$ 921,005	$1,243,428
Accounts receivable (note 3)	380,114	-	380,114	218,899
Prepaid expenses	48,011	-	48,011	42,796
	1,187,018	162,112	1,349,130	1,505,123
Non-current Assets				
Capital assets (note 4)	-	2,121,028	2,121,028	1,756,827
Prepaid lease payment (note 8)	117,000	-	117,000	-
	117,000	2,121,028	2,238,028	1,756,827
	$ 1,304,018	$2,283,140	$3,587,158	$3,261,950
Liabilities				
Current Liabilities				
Accrued salaries and benefits	$ 128,016	$ -	$ 128,016	$ 113,162
Accounts payable and accrued liabilities (note 5)	296,761	-	296,761	198,988
Unearned revenue (note 6)	548,095	-	548,095	390,496
	972,872	-	972,872	702,646
Net Assets				
Invested in capital assets	-	2,121,028	2,121,028	1,756,827
Externally restricted (note 7)	-	30,912	30,912	345,771
Invested in prepaid lease (note 8)	130,500	-	130,500	-
Internally restricted (note 7)	75,000	131,200	206,200	351,200
Unrestricted	125,646	-	125,646	105,506
	331,146	2,283,140	2,614,286	2,559,304
	$ 1,304,018	$2,283,140	$3,587,158	$3,261,950

See accompanying notes to financial statements.

On behalf of the Board:



Chairman

PRAIRIE WEST REGIONAL COLLEGE
Statement of Operations
for the year ended June 30, 2007

Statement 2

	Operating Fund			Capital Fund			Totals		
	(Note 9) 2007 Budget	2007	2006	(Note 9) 2007 Budget	2007	2006	(Note 9) 2007 Budget	**2007**	2006
Revenues (Schedule 1)									
Provincial Government	$3,149,409	$3,720,130	$3,001,923	$ 145,000	$ 212,058	$ 233,885	$3,294,409	**$3,932,188**	$3,235,808
Other revenue	1,157,735	1,245,147	1,226,142	-	-	-	1,157,735	**1,245,147**	1,226,142
	4,307,144	4,965,277	4,228,065	145,000	212,058	233,885	4,452,144	**5,177,335**	4,461,950
Expenses (Schedule 2)									
Agency contracts	854,179	1,096,957	895,481	-	-	-	854,179	**1,096,957**	895,481
Amortization	-	-	-	229,595	261,171	207,750	229,595	**261,171**	207,750
Equipment	106,123	125,580	89,172	-	-	-	106,123	**125,580**	89,172
Facilities	228,358	246,272	243,495	-	-	-	228,358	**246,272**	243,495
Information technology	70,030	59,296	53,164	-	-	-	70,030	**59,296**	53,164
Operating (schedule 3)	587,480	596,052	484,571	-	-	-	587,480	**596,052**	484,571
Personal services	2,456,285	2,737,025	2,436,902	-	-	-	2,456,285	**2,737,025**	2,436,902
	4,302,455	4,861,182	4,202,785	229,595	261,171	207,750	4,532,050	**5,122,353**	4,410,535
Excess (deficiency) of revenues over expenses	$ 4,689	$ 104,095	$ 25,280	$ (84,595)	$ (49,113)	$ 26,135	$ (79,906)	**$ 54,982**	$ 51,415

See accompanying notes to financial statements.

PRAIRIE WEST REGIONAL COLLEGE
Statement of Changes in Net Assets
for the year ended June 30, 2007

Statement 3

	Capital Fund			Operating Fund			Totals	
	Invested in Capital Assets	Externally Restricted	Internally Restricted	Invested in Prepaid Lease	Internally Restricted	Unrestricted	2007	2006
Net assets, beginning of year	$ 1,756,827	$ 345,771	$ 116,200	$ -	$ 235,000	$ 105,506	$ 2,559,304	$ 2,507,889
Excess (deficiency) of revenues over expenses	(49,113)	-	-	-	-	104,095	54,982	51,415
Invested in prepaid lease	-	-	-	135,000	-	(135,000)	-	-
Annual lease expense	-	-	-	(4,500)	-	4,500	-	-
Appropriated to reserves	-	(314,859)	15,000	-	(160,000)	459,859	-	-
Interfund transfers (note 13)	413,314	-	-	-	-	(413,314)	-	-
Net assets, end of year	$ 2,121,028	$ 30,912	$ 131,200	$ 130,500	$ 75,000	$ 125,646	$ 2,614,286	$ 2,559,304

Restricted details (note 7)	Beginning Balance	Appropriations to Net Assets	Appropriations from Net Assets	Ending Balance
Externally restricted - capital				
Warman facility reserve	$ 345,771	$ -	$ 345,771	$ -
Rosetown facility reserve	-	30,912	-	30,912
	$ 345,771	$ 30,912	$ 345,771	$ 30,912
Internally restricted - capital				
Computer replacement reserve	$ 66,200	$ 41,200	$ 66,200	$ 41,200
Equipment replacement reserve	-	30,000	-	30,000
Rosetown building improvement reserve	-	30,000	-	30,000
Building maintenance reserve	50,000	-	20,000	30,000
	116,200	101,200	86,200	131,200
Internally restricted - operating				
Learning centre expansion	35,000	-	35,000	-
Energy Training Centre reserve	50,000	10,000	-	60,000
Succession planning	15,000	-	-	15,000
Warman facility reserve	135,000	-	135,000	-
	235,000	10,000	170,000	75,000
Total internally restricted	$ 351,200	$ 111,200	$ 256,200	$ 206,200

See accompanying notes to financial statements.

PRAIRIE WEST REGIONAL COLLEGE
Statement of Cash Flows
for the year ended June 30, 2007

Statement 4

	2007	2006
Cash flows from (used in) operating activities		
Excess of revenues over expenses	$ 54,982	$ 51,415
Amortization of capital assets	261,171	207,750
Non-cash lease expense	4,500	-
	320,653	259,165
Changes in non-cash working capital		
Increase in accounts receivable	(161,215)	(37,194)
(Increase) decrease in prepaid expenses	(5,215)	48,212
Increase in accrued salaries and benefits	14,854	23,696
Increase in accounts payable and accrued liabilities	97,773	6,886
Increase (decrease) in unearned revenue	157,599	(322,664)
Cash provided by (used in) operating activities	424,449	(21,899)
Cash flows from (used in) investing activities		
Initial lease payment	(135,000)	-
Less: Current portion of prepaid lease included in prepaid expenses	13,500	-
Purchase of capital assets	(625,372)	(184,876)
Cash used in investing activities	(746,872)	(184,876)
Net decrease in cash	(322,423)	(206,775)
Cash, beginning of the year	1,243,428	1,450,203
Cash, end of the year	$ 921,005	$ 1,243,428

See accompanying notes to financial statements.

PRAIRIE WEST REGIONAL COLLEGE
Notes to the Financial Statements
for the year ended June 30, 2007

1. Purpose and Authority

Prairie West Regional College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act* . The College Board plays an integral part in strategic direction and management guidance.

The purpose of the College is to provide credit and non-credit classroom and vocational training to meet the needs of regional constituents and industry. Prairie West Regional College is exempt from the payment of income tax.

2. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant policies:

a) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. For accounting and reporting purposes, resources are classified into funds in accordance with specified activities or objectives:

i) Operating Fund
The operating fund accounts for the College's program delivery, service and administrative activities.

ii) Capital Fund
The capital fund reflects the net book value of all capital assets of the College. The capital fund also includes contributions, interest and donations designed for capital purposes by the contributor. Also included in the capital fund are the appropriations for future capital expenditures.

b) Revenue Recognition

The College follows the restricted fund method of accounting for contributions. Restricted contributions related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Contributions restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating contributions are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

c) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Capital assets costing under the asset threshold are expensed in the current year.

Capital assets are amortized on a straight-line basis over their estimated useful lives as follows and amortization is reported as an expense in the capital fund:

Buildings	20 years
Office furniture	10 years
Office equipment	5 years
Machinery	5 years
Computer equipment	3 years
Leasehold improvements	Term of the lease
System development	5 years

d) Cash

Cash is represented by cash on hand and balances with banks.

e) Use of estimates

These statements are prepared in accordance with Canadian generally accepted accounting principles. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

3. Accounts Receivable

Accounts receivable are composed of the following:

	2007	2006
Saskatchewan Advanced Education and Employment	$ 39,033	$ 80,038
Province of Saskatchewan - other	92,880	9,348
Regional Colleges	56,481	-
Saskatchewan Institute of Applied Science and Technology	2,160	2,457
Federal Government	32,502	22,889
Other	157,058	104,167
	$ 380,114	$ 218,899

4. Capital Assets

	2007			2006
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	$ 2,071,266	$ 646,608	$ 1,424,658	$ 1,508,170
Land	38,550	-	38,550	38,550
Leasehold improvements	562,324	139,480	422,844	55,793
Office furniture	185,495	105,346	80,149	48,722
Office equipment	44,884	44,884	-	3,012
Computer equipment	366,596	295,607	70,989	78,171
Machinery	118,667	34,829	83,838	24,409
Student information system	35,457	35,457	-	-
	$ 3,423,239	$ 1,302,211	$ 2,121,028	$ 1,756,827

5. Accounts Payable and Accrued Liabilities

Accounts payable are composed of the following:

	2007	2006
Province of Saskatchewan - other	$ 27,360	$ 37,412
Regional Colleges	249	7,148
Saskatchewan Institute of Applied Science and Technology	12,289	13,080
Federal Government	45,980	49,388
Other	210,883	91,960
	$ 296,761	$ 198,988

6. Unearned Revenue

Unearned revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2007	2006
Saskatchewan Advanced Education and Employment	$ 536,690	$ 362,162
Other	11,405	28,334
	$ 548,095	$ 390,496

7. Restrictions on Net Assets

As at June 30, 2007, the College has received $499,422 of capital revenue from Saskatchewan Advanced Education and Employment toward the construction of a building at the Warman campus. In the 2007 fiscal year, the College received $120,000 and a total of $379,422 in the 2006, 2005 and 2004 fiscal years. During the year, the College incurred $434,860 (and $33,651 in the 2006 and 2005 fiscal years) of capital expenditures toward construction of the building. The Warman facility was completed in February, 2007 at a total cost of $468,511. The remaining $30,912, as approved by Saskatchewan Advanced Education and Employment, has been allocated to the Rosetown campus remodelling project which will be completed in the fall of 2007.

The Board of Directors of Prairie West Regional College has placed internal restrictions on $131,200 in capital related projects and $75,000 for operating related initiatives (2006 - $116,200 in capital related projects and $235,000 for operating related initiatives) as detailed on Statement 3. These internally restricted amounts are not available for other purposes without the approval of the Board of Directors.

8. Invested in Prepaid Lease

Prairie West Regional College entered into an agreement with Prairie Spirit School Division for the Warman facility in the high school. In March 2007, Prairie West Regional College paid an initial lease payment of $135,000 to Prairie Spirit School Division. The agreement provides for a refund of a portion of the initial lease payment of $135,000 should the college vacate the facility and its presence in the Town of Warman during the first ten years of the lease. The initial lease amount to be refunded is reduced at the rate of $13,500 for each year the college occupies the facility to a maximum of ten years.

8. Invested in Prepaid Lease (continued)

Future lease expense over the next five years is as follows:

2008	$ 13,500
2009	13,500
2010	13,500
2011	13,500
2012 and thereafter	76,500
Future lease expense	130,500
Less current portion	13,500
Long-term portion	$ 117,000

9. Budget Amounts

The budget amounts on these financial statements were prepared by Regional College management and approved by the Board on May 24, 2006. The Minister approved the budget on July 25, 2006.

10. Related Party Transactions

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown Agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

Expenses to (from) other related parties include:

	2007	2006
Saskatchewan Regional Colleges expenses	$ 60,166	$ 102,675
Saskatchewan Institute of Applied Science and Technology	455,584	416,117
Saskatchewan Municipal Employees' Pension Plan	93,064	77,675
SaskTel expenses	39,065	42,138
Saskatchewan Workers' Compensation Board	10,117	9,106
Regional Health Authorities	245	1,405
Saskatchewan School Divisions	558,460	46,645
SaskPower expenses	21,657	22,870
SaskEnergy expenses	12,573	14,929
	$ 1,250,931	$ 733,560

The College receives long distance telephone service between major centres from SaskTel, a related party, at reduced rates available to Government agencies.

Other transactions with related parties and amounts due to/from are described separately in the financial statements and the notes thereto.

11. Financial Instruments

The College's significant financial instruments consist of cash, accounts receivable, accrued salaries and benefits, accounts payable and accrued liabilities.

a) The carrying amount of these financial instruments approximates fair value due to their short-term maturity. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing or certainty of future cash flows.

b) The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's accounts receivable is from the Provincial and Federal governments, therefore, credit risk is minimal.

12. Employee Future Benefits

Employees of the College participate in one of two pension plans. Teachers and other employees holding a teaching certificate participate in a defined benefit plan, the Teachers' Superannuation Plan (TSP), which is administered by the Teachers' Superannuation Commission. No matching contribution is made by the College nor does it have a financial obligation to the TSP. All other employees participate through the Municipal Employees Pension Plan (MEPP), which is a multi-employer defined benefit plan.

The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The College's financial obligation to MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for 2007 was $93,064 (2006 - $77,675).

13. Interfund Transfers

In 2007, the Board transferred $413,314 (2006 - $49,009) from the Capital Fund to the Operating Fund to offset withdrawals for capital expenditures.

14. Comparative Information

Certain 2006 balances have been reclassified to conform with the current year's presentation.

Schedule 1

Prairie West Regional College
Schedule of Operating Fund Revenues by Function
for the year ended June 30, 2007

	2007								2007	(Note 9) 2007 Budget	2006
	General	Skills Training		Basic Education		University	Services				
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel	**Total**	Total	Total
Provincial Government											
Saskatchewan Advanced Education and Employment											
Operating grant	$ 1,584,562	$ -	$ -	$ -	$ -	$ 75	$ 40,236	$ -	**$ 1,624,873**	$ 1,489,160	$ 1,435,497
Program payments	25,947	1,129,052	-	231,994	7,654	-	15,059	51,000	**1,460,706**	1,366,061	1,294,851
Contracts	-	-	-	-	53,000	-	-	-	**53,000**	5,000	5,000
Other	66,431	-	-	385	-	-	168,519	-	**235,335**	181,788	162,960
	1,676,940	1,129,052	-	232,379	60,654	75	223,814	51,000	**3,373,914**	3,042,009	2,898,308
Other Provincial	4,375	145,711	16,429	53,683	18,000	-	-	108,018	**346,216**	107,400	103,615
	1,681,315	1,274,763	16,429	286,062	78,654	75	223,814	159,018	**3,720,130**	3,149,409	3,001,923
Other Revenue											
Contracts	1,982	31,767	3,965	76,812	-	-	-	-	**114,526**	59,682	82,370
Interest	73,600	-	-	-	-	-	-	-	**73,600**	40,625	54,337
Rents	8,827	4	2,500	-	-	-	-	-	**11,331**	6,300	9,284
Resale items	1,367	66,661	3,512	1,300	-	-	-	-	**72,840**	72,835	72,166
Tuitions	-	827,623	68,444	-	-	-	-	-	**896,067**	950,493	968,969
Other	57,733	4,752	1,056	-	-	172	13,070	-	**76,783**	27,800	39,016
	143,509	930,807	79,477	78,112	-	172	13,070	-	**1,245,147**	1,157,735	1,226,142
Total revenues	1,824,824	2,205,570	95,906	364,174	78,654	247	236,884	159,018	**4,965,277**	4,307,144	4,228,065
Total operating expenses (Schedule 2)	2,422,069	1,710,747	62,369	254,427	43,967	203	201,422	165,978	**4,861,182**	4,302,455	4,202,785
Excess (deficiency) of revenues over expenses	$ (597,245)	$ 494,823	$ 33,537	$ 109,747	$ 34,687	$ 44	$ 35,462	$ (6,960)	**$ 104,095**	$ 4,689	$ 25,280

See accompanying notes to financial statements.

Schedule 2

Prairie West Regional College
Schedule of Operating Fund Expenses by Function
for the year ended June 30, 2007

	2007									2007	(Note 9) 2007 Budget	2006
	General	Skills Training		Basic Education		University	Services					
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel		**Total**	Total	Total
Agency contracts	$ -	$ 1,071,904	$ 19,733	$ 742	$ 2,638	$ -	$ 1,940	$ -		**$ 1,096,957**	$ 854,179	$ 895,481
Equipment	88,408	27,755	133	5,189	722	199	3,174	-		**125,580**	106,123	89,172
Facilities	129,881	76,469	6,429	20,887	2,000	-	10,606	-		**246,272**	228,358	243,495
Information technology	39,837	1,124	1,497	-	-	-	16,274	564		**59,296**	70,030	53,164
Operating (Schedule 3)	412,996	142,078	10,889	6,688	13,332	4	8,832	1,233		**596,052**	587,480	484,571
Personal services	1,750,947	391,417	23,688	220,921	25,275	-	160,596	164,181		**2,737,025**	2,456,285	2,436,902
	$ 2,422,069	$ 1,710,747	$ 62,369	$ 254,427	$ 43,967	$ 203	$ 201,422	$ 165,978		**$ 4,861,182**	$ 4,302,455	$ 4,202,785
			$ 1,773,116		$ 298,394			$ 367,400				

See accompanying notes to financial statements.

PRAIRIE WEST REGIONAL COLLEGE
Schedule of Operating Expenses
for the year ended June 30, 2007

Schedule 3

	Totals		
	2007	(Note 9) 2007 Budget	2006
Operating expenses			
Advertising	$ 46,116	$ 48,925	$ 28,544
Association fees and dues	13,286	15,085	14,817
Bad debts	4,110	200	9,269
Financial services	7,587	7,073	7,256
In-service	22,589	40,978	13,858
Insurance	15,799	17,000	17,010
Materials and supplies	82,299	74,257	70,985
Postage, freight and courier	31,969	41,188	27,383
Printing and duplicating	32,048	12,250	26,293
Professional services	74,237	77,930	49,468
Resale items	69,039	72,835	68,278
Subscriptions	2,054	2,120	1,674
Telephone and fax	40,084	42,509	43,265
Travel	106,446	89,580	74,298
Other	48,389	45,550	32,173
	$596,052	$ 587,480	$ 484,571

See accompanying notes to financial statements.

Prairie West Regional College
Supplier Payment Listing
for the year ended June 30, 2007
"Unaudited"

Listed are payees who received $50,000 or more for the provision of goods and services, including office supplies, communications, contracts, and equipment.

Prairie Spirit School Division	542,947
SIAST - Palliser Campus	249,409
Saskatchewan Trucking Association	188,007
Saskatchewan Blue Cross	99,961
Municipal Employees' Pension Plan	93,064
Kin-Kerr Safety Service	83,163
SIAST - Wascana Campus	62,503
SIAST - Woodland Campus	77,083
Sandcastle Enterprise Inc.	65,786
Saskatchewan Property Management	53,585
Enform	52,791
	1,568,299

Prairie West Regional College
Personal Service Listing
for the year ended June 30, 2006
"Unaudited"

Listed are individuals (including unionized employees) who received $50,000 or more for salaries, wages, honorariums, and compensation for personal service. This listing will include: Gross salary + gross bonus + honorariums + compensation for personal service = Personal Service. (No travel reimbursements, transfers or other expenditures will be included).

Probert, Bruce	112,211
Box, Jay	87,395
Dubreuil, Doreen	67,593
Legare, Michelle	64,380
Kreiter, Monica	64,380
Prouse, Sheryl	62,641
Weinkauf, Wendy	61,779
Kohlman, Bonnie	59,979
Bodnarchuk, Mary-Jean	56,048
Wiebe, Brigitte	55,517
McCorriston, Willi	55,517
Oviatt, Elaine	50,138
	797,578